

**GOVERNMENT OF
THE VIRGIN ISLANDS OF THE UNITED STATES**

**Request for Proposal – Negotiation
Professional Services**

To:

Date: October 29, 2015

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RFP No. 002-2016(P)

Pursuant to 31 V.I.C. 239 (a) (4) and Rules and Regulations thereunder issued, the Government of the Virgin Islands, Department of Property and Procurement will receive proposals for the work described below. Proposals will be received until **Tuesday, December 15, 2015 @ 4:00 o'clock p.m.**

DESCRIPTION OF WORK AND PROJECT:

The Government of the Virgin Islands, Office of Management & Budget is requesting proposals from Qualified Certified Public Accounting or Financial Management firms to provide Third Party Fiduciary oversight and Federal funds management to the Government of the Virgin Islands.

SCOPE OF SERVICES: ATTACHED

NEGOTIATED PROCEDURES:

The Commissioner of the Department of Property and Procurement will appoint Selection Committee to assist in the evaluation and selection of the Contractor. Accordingly current data on qualifications and performance should be submitted with proposals. After reviewing the qualifications and proposals the Committee will select for discussions from the firm/s or person/s considered not less than three (3), in order of preference, **deemed to be most highly qualified to provide the services herein required. Discussions** will be conducted successively and severally with the firms or persons so selected the anticipated concepts and the relative utility alternative methods of approach for furnishing the services hereunder.

FACTORS FOR DISCUSSIONS

Selection criteria will include (i) Professional qualification, registration and general reputation of the principals of the firm or person; (ii) the extent to which the firm or person specializes in or has designed projects of a type and scope similar to the hereunder; (iii) familiarity with the area in which the project is to be located; (iv) capability of meeting design schedules; and (v) quality of performance on other projects.

NEGOTIATION:

The Selection Committee shall recommend to the Commissioner **the highest qualified firm or person with whom a contract shall be negotiated.** The Commissioner, with the assistance of the Selection Committee, shall attempt to negotiate a contract with such firm or person.

Should the Commissioner be unable to negotiate a satisfactory contract with the firm considered to be the most qualified, at a price he determines to be fair and reasonable to the Government, negotiations with that firm will be formally terminated. Negotiations will then be commenced with the second most qualified, the third most qualified or additional firms, in order to preference and their competence and qualification, and shall continue until an agreement is reached.

Randolph N. Bennett
Commissioner Designee of Property and Procurement

INSTRUCTION TO PROPOSALS

A. NOTICE

RFP-002-2016(P) Qualified Certified Public Accounting (CPA) or Financial Management firms to provide Third Party Fiduciary oversight and Federal funds management to the Government of the Virgin Islands.

Information provided in the scope of work is to be used only for purposes of preparing a proposal. It is further expected that each bidder will read the scope of work with care, for failure to meet certain specified conditions may invalidate the proposal.

The Government of the Virgin Islands, herein after referred to as GVI, reserves the right to reject any or all proposals or any portion thereof and to accept the proposal deemed most advantageous to GVI. Price shall not be the sole criterion of awarding this project. Scope and quality of work proposed and the ability of the bidder to complete this type of project shall also be considered.

Applicants are requested to submit proposals on the basis of the scope of work. Alternative proposals recommending new features and technology other than that requested in the scope of work will receive consideration providing such new features and/or technology is clearly explained. Any exceptions to the requirements requested herein must be clearly noted in writing and be included as part of the proposal.

The information contained herein is believed to be accurate, but is not to be considered in any way as a warranty. Request for additional information clarifying the Scope of Work should be directed in writing to **Deputy Commissioner of Procurement, Ms. Latisha Blyden**, at latisha.blyden@dpp.vi.gov. All requests will be forwarded to **Mrs. Derese A. Dunlop-Harley, Program Manager, Office of Management and Budget**.

B. STATEMENT OF PURPOSE

RFP-002-2016(P) Qualified Certified Public Accounting (CPA) or Financial Management firms to provide Third Party Fiduciary oversight and Federal funds management to the Government of the Virgin Islands.

C. PROPOSE SCOPE OF WORK

See Attached Scope of Work

D. TIMETABLE

1. Last day for requests or written clarifications will be **Tuesday, November 17, 2015 @ 4:00 p.m.**
2. Proposals will be accepted at the Department of Property & Procurement, no later than **Tuesday, December 15, 2015 @ 4:00 p.m.**

E. SUBMISSION OF PROPOSAL

All interested parties shall submit **seven (7)** sets of proposals, which are to be delivered to the Department of Property and Procurement during normal business hours, no later than **Tuesday, December 15, 2015 @ 4:00 p.m.**

They shall be addressed to:

Randolph N. Bennett
Commissioner Designee
Department of Property & Procurement
Building #1 Subbase, 3rd Floor
St. Thomas, Virgin Islands 00802

The sealed envelope containing the proposal must have the following information written on the outside of the envelope:

SEALED PROPOSALS-DO NOT OPEN

RFP-002-2016(P)

(Name of Bidder)

(Mailing Address of Bidder)

(Telephone Number of Bidder)

(Fax Number of Bidder)

Where proposals are sent by mail, the bidder shall be responsible for their delivery to Property & Procurement before the date and time set for the closing of acceptance of proposals.

F. WITHDRAWALS OF PROPOSAL

A proposal may be withdrawn at any time prior to the time specified as the closing time for acceptance of proposals. However, no proposal shall be withdrawn or canceled for a period of thirty (30) days after said closing time for acceptance of proposals nor shall the successful provider withdraw or cancel or modify his proposal, except at the request of GVI after having been notified that said proposal has been accepted by GVI.

G. INTERPRETATION OF SPECIFICATIONS

If any person contemplating submitting a proposal requires clarification of any part of the scope of work, he/she may submit to the GVI a written request for an interpretation thereof to the **Commissioner Designee of Property and Procurement Randolph N. Bennett**. GVI will not respond to questions received after the above established date. The person submitting the request will be responsible for its prompt delivery. Any interpretation of the scope of work will be made in writing to all prospective providers. Oral explanations will not be binding.

H. CONSIDERATION OF PROPOSAL

The Commissioner of Property and Procurement shall represent and act for GVI in all matters pertaining to the scope of work and contract in conjunction therewith. **This RFP does not commit GVI to the award of a contract, nor pay any cost incurred in the preparation and submission of proposals in anticipation of a contract. GVI reserves the right to reject any or all proposals and to disregard any informality and/or irregularity in the proposal when, in its opinion, the best interest of GVI will be served by such action.** Proposals failing to provide some of the items in the scope of work shall not be rejected per se but any deviations from the scope must be clearly noted.

I. ACCEPTANCE OF PROPOSALS

GVI will notify in writing acceptance of one of the proposals. Failure to provide any supplementary documentation to comply with the vendor's proposal may be grounds for disqualification.

J. CONTENTS OF PROPOSAL

The following is a list of information to be included in the written proposal. Failure to comply with all the requirements as outlined, will disqualify the applicant.

1. Introductory letter about the applicant:
 - a. Name, address, fax and telephone numbers.
 - b. Type of service for which individual/firm is qualified.
2. Organization:
 - a. Names/addresses of Principals of Firm.
 - b. Names of key personnel with experience of each and length of time in organization.
 - c. Number of staff available for assignment. (Local & Off-Territory)
 - d. Copy of Articles of Incorporation
 - e. Copy of Certificate of Resolution
 - f. Copy of valid Business License
3. Outside consultants that will be retained for this project and percentage of work to be sub-contracted.
4. Project experience:
 - a. List of completed projects and estimated cost of each.
 - b. Current projects underway; scope; percentage completed to date and estimated cost of each.
5. Project References: (including a notarized written consent from the authorized representative which must include: name; telephone number; email address and facsimile number).
6. Project Approach:
 - a. Describe how you will approach this project and availability to perform the services requested.
7. Cost: The Cost Proposal must be submitted in a separate sealed envelope.

K. CONFLICT OF INTEREST

A proposer filing a proposal hereby certifies that no officer, agent or employee of GVI has a pecuniary interest in this proposal or has participated in contract negotiations on behalf of GVI; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other Bidder for the same request for proposals; the Bidder is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.

L. LICENSE REQUIREMENT

An award will not be made to any firm or individual doing business in the Virgin Islands to perform work with the Government of the Virgin Islands until evidence is submitted that the said firm or individual has a valid V.I. Business License to do business in the Virgin Islands. Bidders must submit hard copy of a valid V.I. business license within ten (10) working days after award.

All Bidders bidding as Joint Ventures must be licensed as a Joint Venture in the Virgin Islands.

M. REQUIRED DOCUMENTS

1. **PUBLIC LIABILITY:** The successful bidder will be required to obtain and have in place public liability insurance and other insurance necessary as requested in this proposal package. Insurance policy(ies) shall name the Government of the Virgin Islands as "**Additional Insured**". The public liability insurance shall have a minimum limit of not less than **one hundred thousand (\$100,000.00) dollars** for anyone occurrence for death or personal injury and **one hundred thousand (\$100,000.00) dollars** for anyone occurrence for property damage. **Bidder must provide public liability insurance within ten (10) working days after award.**
2. **WORKERS' COMPENSATION:** Within ten (10) working days after award of project the successful bidder must submit a copy of their certificate providing that his firm and his agents are covered by Workers' Compensation Employee's Liability.
3. **FAILURE TO PROVIDE THE CERTIFICATES WITHIN THE STATED TIME PERIOD MAY RESULT IN THE PROPOSAL DEEMED NON-RESPONSIVE AND MAY BE IMMEDIATELY DISQUALIFIED WITH NO FURTHER CONSIDERATION GIVEN FOR POTENTIAL AWARDING OF THE CONTRACT.**

N. REQUIREMENTS FOR CORPORATIONS:

1. ARTICLES OF INCORPORATION
2. CERTIFICATE OF CORPORATE RESOLUTION
3. CERTIFICATE OF GOOD STANDING

THESE WILL BE REQUIRED PRIOR TO AWARD OF CONTRACT.

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal – Negotiation Professional Services

To: **Date:**

..... **RFP No. XXX-2015**

Background

Since 2002, the Virgin Islands Department of Education (VIDE) has been under mandatory Third Party Fiduciary (TPF) oversight with respect to its management of Federal programs and funds granted by the U.S. Department of Education (USED). The scope of services provided by the TPF is primarily determined by the Compliance Agreement (Agreement), as amended from time to time by Special Conditions, between the GVI and USED. Compliance with the terms and conditions of the Agreement is a condition of further receipt of Federal grant funds.

The Compliance Agreement is available for review.

The GVI believes that it is in its best interest to develop and execute a Corrective Action Plan (CAP) sufficient to make TPF oversight unnecessary.

Request for Proposals

The Government of the United States Virgin Islands (herein after referred to as the "GVI") is requesting proposals from qualified Certified Public Accounting (CPA) or Financial Management firms to provide Third Party Fiduciary oversight and Federal funds management to the GVI pursuant to the Compliance Agreement between the GVI and the USED as amended and supplemented from time to time by the Special Conditions.

The GVI anticipates that a contract for these services will be in place by May 31, 2016 with services to begin no later than July 1, 2016. Prospective vendors are required to budget all work efforts accordingly, in order to insure that provision of services is commenced by this date. The contract period for the services is expected to begin on the aforementioned date and conclude June 30, 2018 or when the GVI Agencies and VIDE are in full compliance with all of the provisions originally specified in the September 2002 Compliance Agreement; whichever is sooner.

This Request for Proposals (RFP) sets forth the requirements for the services and solicits a detailed response from prospective vendors to include a Technical Proposal and Pricing

Proposal. The Pricing Proposal should be submitted separately, sealed, from the Technical Proposal.

GVI encourages respondents to this solicitation to propose alternative strategies for consideration based on previous experience or for reasons such as risk mitigation. At a minimum, prospective vendors must submit pricing and staffing estimates for the life of the project.

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal – Negotiation Professional Services

PROJECT FUNCTIONAL SCOPE

The purpose of the RFP is to provide interested prospective vendors with sufficient information to enable them to develop and submit proposal for services that will fulfill the specified requirements of the GVI and the USDE / ED. The scope of the oversight services include, but are not limited to, the following functionality:

- General Ledger
- Budget Control of Grant Funds
- Purchasing
- Accounts Payable
- Accounts Receivable
- Cash Receipts
- Grant Accounting and Reconciliation
- Fixed Assets
- Inventory Management
- Payroll Processing
- Time Distribution

PROJECT OBJECTIVES

The project's objectives cover all aspects of GVI's financial management of USDE / ED grant funds, as defined in the scope of work. However, a crucial goal of the project is to maintain improved controls for all of the processes detailed in the Compliance Agreement and to achieve enhancement of a more effective and efficient business and financial operations throughout the GVI. The following lists some of the major characteristics that GVI is looking for from the prospective vendor:

- Ensure strict financial controls over all USDE / ED grant funds provided to the GVI (except as otherwise noted in USDE/ ED grant award documents).
- Demonstrate a strong past performance record for the desired services.
- Ensure that sufficient personnel are available, with the necessary skills and expertise in the financial management functions included in this RFP, to perform the desired services.
- The ability to scale operations to accommodate any change in workload.

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal – Negotiation Professional Services

SCOPE OF SERVICES

The overall Scope of Services is as described in the Responsibilities and Requirements for the TPF Agent (Attachment A).

This section of the proposal shall explain in detail how the prospective vendor will provide Third Party Fiduciary oversight to the Federal Grants Specialized Processing Unit (FGSPU) of the Office of Management and Budget. Any oversight proposed must include appropriate internal control methodologies that comply with appropriate accounting principles.

1. Ensure that all USDE / ED grant funds received by the Government of the Virgin Islands (GVI) (VIDE, VIDH, VIDHS and other GVI agencies) are directly managed in a depository account(s) controlled by the Third Party Fiduciary (TPF); unless otherwise noted in USDE / ED grant award documents,
 - a. Continue to deliver dollar limit validations, as well as, line item budget comparisons (using line item budgets provided by the GVI grantee agencies) to prevent over limit spending and non-allowable grant spending
 - b. Establish, maintain and manage separate bank accounts for the funds under the USDE grants; notify the GVI grantee agencies when grant funds are needed for a disbursement; monitor the drawdown of funds by the GVI grantee agencies; notify USDE in writing if a GVI grantee agency fails to draw down funds in a timely manner; and undertake drawdown responsibilities if USDE/ ED determines that it is necessary for the prospective vendor to do so.
 - c Utilize fiscal control and accounting procedures that meet the requirements imposed on non-State governmental grantees in accordance with 34 CFR 80.20(b) and 80.21.
 - d. Ensure that funds are spent only for allowable costs of programs under the USDE/ ED grants, in accordance with 34 CFR 80.22.
2. Ensure payments and disbursements are processed timely, maintain records for GVI agencies unless otherwise noted in USDE / DE grant award documents, and reconcile these records to the GVI grantee agencies' financial records and to the USDE/ ED Grants Administration and Payment System (GAPS). The TPF shall be responsible for the following:
 - a. Ensure the transitioning of the TPF accounting system chart of accounts to the Government of the Virgin Islands' chart of accounts.
 - b. Ensure the transitioning of the TPF accounting system, processes, policies and procedures to the GVI.

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal – Negotiation Professional Services

c. Ensure that VIDE, VIDHS, VIDH and VIOMB are provided with monthly reports including bank reconciliations records; the reports must show that financial records maintained in the TPF's accounting system are available to be uploaded to the central system accompanied by reconciliation documentation to ensure no missing records or data, including payroll reconciliations. Reports must be submitted to GVI entities no later than the 20th of each month.

d. Ensure records are maintained for the USDE / ED grants that fully show the amount of funds under the grant; how the Virgin Islands uses the funds; the total cost of the project; the share of that cost provided from other sources; and other records to facilitate an effective audit, in accordance with 34 CFR 75.730 (discretionary grants) and 76.730 (formula grants). Retain records in accordance with the provisions of 34 CFR 80.42, and recognize that records maintained on behalf of the GVI grantee agencies are not exempt under 34 CFR 80.42(a) (2) from the record retention requirements.

e. Ensure compliance with the Cash Management Improvement Act (CMIA).

3. Maintain or enhance the process and turnaround requests from GVI grantee agencies for acquiring goods and services in compliance with the procurement provisions in 34 CFR 80.36 and Title 31 of the Virgin Islands Code. Manage procurement and financial processing through encumbrance, pre-encumbrance, bid/quote and contract management and comply with the procurement provisions in 34 CFR 80.36(b) - (i) and Title 31, Chapter 23 of the Virgin Islands Code.

4. Ensure the verification of the receipt of goods and services in addition to processing payments. Ensure weekly reports detailing the status of purchase orders are provided. Update, as necessary, written procedure and process.

5. Maintain a process for managing all property acquired with grant funds with a purchase price of \$500 or greater, consistent with the requirements of 34 CFR section 80.32(d), including reconciling the with existing property records. Maintain property records identifying property acquired by USDE grant funds, and a control system to prevent loss, damage, or theft of the property. Periodically monitor fixed assets previously procured by the GVI grantee agencies as well as assets acquired during the term of this contract.

6. Ensure that financial status information is provided, upon request, to USDE, GVI and /or other oversight entities.

7. Ensure the security of confidential information and records in accordance with all applicable laws.

8. Ensure compliance with all applicable legal standards.

9. The TPF will utilize the Report Writer Capabilities in the system of record, to develop reports in line with the requirements of 34 CFR parts 75, 76, and 80, as well as GAAP, GASB, state, local, and, other funding source requirements and all other applicable legal standards. comply

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal – Negotiation Professional Services

generally with the requirements in 34 CFR 80.41, and produce quarterly reports concerning financial transactions of the GVI grantee agencies under the USDE grants for submission to the GVI grantee agencies and USDE. These reports shall be due within 10 working days after the end of each quarter.

10. Provide grantee agencies supporting documentation for draw down requests. Deposit funds drawn down under USDE grants into the separate bank account established for the USDE grants; deposit any matching funds for discretionary grants included in the USDE grants into the separate bank account; and disburse funds from the separate bank account solely for allowable purposes under the USDE grants.

11. Ensure that steps are taken to prevent the lapsing of funds available under the USDE grants, including ensuring timely disbursement of funds in accordance with Treasury regulations at 31 CFR part 205, as required by 34 CFR 80.21(b), and in accordance with 34 CFR 80.20(b) (7) for funds under USDE grants.

12. Ensure that funds under the USDE grants are permitted to be charged only for costs resulting from obligations that were properly made during the funds' period of availability, including any carryover period, and liquidate obligations no later than 90 days after the funding period, in accordance with 34 CFR 80.23.

13. **The requirements of specific sections of the CFR referenced in this RFP are incorporated by reference.** Maintain a process for tracking and reporting time and effort spent by all employees whose salaries are paid under the USDE grants, including distribution of time among different funding sources for split-time employees, and for properly allocating salary costs among the USDE grants all in accordance with OMB Circular A-87, *or any replacement circular subsequently issued*.

14. Ensure the accurate allocation funds correctly between direct and indirect costs; and ensure that the charging of direct and indirect costs against the USDE grants is consistent with the requirements of OMB Circular A-87 and 34 CFR 75.560-564 (discretionary grants), 34 CFR 76.560-569 (formula grants), and 34 CFR 80.22.

The Special Conditions as defined by USDE, listed as **Attachment A**, prescribe additional responsibilities and requirements for the TPF, and are incorporated into this RFP. To the extent that any of the statements above are inconsistent with the Special Conditions listed in Attachment A, the provision in Attachment A takes precedence over the provisions in section 3.4 above.

COMMUNICATION TO ENTERPRISE RESOURCE PLANNING SYSTEM

The GVI utilizes the Tyler-Munis ERP System to execute the various processes in the areas of Finance, Human Resources and Property Management and Procurement. These processes adhere to all applicable Federal and Local laws and regulations. Any proposed services or business process redesign that may affect the GVI processes must be communicated to the GVI's designated Project Manager.

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal – Negotiation Professional Services

COMPANY BACKGROUND

The prospective vendor must provide, at a minimum, the following information about its ability to support the commitment set forth in the response to the RFP. The GVI, at its option, may require a prospective vendor to provide additional support and/or clarification.

- A brief description of the company size and organizational structure.
- Length of time the company has been in business.
- Experience in the public sector accounting and financial management, particularly in providing this service to public sector clients of similar size and complexity to the GVI.
- Most recent audited financial statements.
- List of public sector customers for whom the prospective vendor has provided similar services by name and by state
- Any other materials including but not limited to letters of support or endorsement from clients.

FINANCIAL MANAGEMENT REPORTING

Address financial reporting in the proposal consistent with the requirements of the Education Department General Administrative Regulations (EDGAR) section 80.41 and item #2 and, 10 in section 3.4, Statement of Work, above, and provide examples of control reports delivered as part of the prospective vendor's third-party fiduciary duties.

SYSTEMS INTEGRATION

Maintain the ability to electronically transfer all data from the ERP System utilized by the TPF to the GVI's ERP System. Maintain the ability to provide GVI with read-only access to view financial data in referenced ERP System.

FIDUCIARY OVERSIGHT SERVICES PLAN

The successful vendor will be required to provide a detailed plan for providing the proposed services. This information **MUST** include:

- Detailed methodology for third party fiduciary oversight services. Methodology shall include estimated timeframes for maintaining, and or enhancing, business process controls, any assumptions, and assumed responsibilities.
- Project organization chart showing prospective vendor staff for the project. The prospective vendor must ensure that sufficient personnel are available, with the necessary skills and expertise in financial management functions, to perform the desired services
- Work effort estimates and a work plan listing proposed resource utilization by each month should also be submitted.

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal – Negotiation Professional Services

The work plan and staff schedule should address the scaling up of operations to accommodate any increase in workload, whether long or short-term.

- The prospective vendor's work plan must state any facilities, data, and other requirements that GVI will be expected to provide.
Names, titles, and resumes of staff that will be assigned to manage this project.
- GVI reserves the right to approve changes in personnel from those included in the proposal and the right to request changes in personnel.

CLIENT REFERENCES

The GVI considers references for the third party fiduciary vendor and any proposed sub-contractors to be important in its decision to award a contract. All references provided will be contacted by the GVI during the selection process. GVI **will not** work through a vendor's Reference Manager to complete a reference. Prospective vendors must provide a direct client reference that was involved in a vendor-led project.

THIRD PARTY FIDUCIARY FIRMS

Firms must provide five (5) references for the services being proposed. References should be submitted where the firm was the primary fiduciary agent.

COST PROPOSAL

Prospective vendors should submit an estimate of project costs. Finally, it is important that prospective vendors use the cost format presented in this RFP and or their own format. Do **NOT** use "TBD" (to be determined) or similar annotations in the cells for cost estimates. All cells must be filled out. The GVI is asking prospective vendors to estimate costs for all categories with the understanding that they may have to make assumptions. Such assumptions should be stated. Failure to fully provide cost and work effort estimates may lead to elimination. The prospective vendor's Pricing Proposal structure must be aligned with the prospective vendor's work plan. GVI will use the prospective vendor's Pricing Proposal structure as the basis for a payment Schedule. A prospective vendor's initial offer should be based on the most favorable terms available. The GVI may, however, have discussion with those prospective vendors that it deems, in its discretion, to fall within a competitive range. It may also request revised pricing offers from such prospective vendors, and makes an award and/or conduct negotiations thereafter.

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal – Negotiation Professional Services

EXCEPTIONS TO THE RFP

All requested information in this RFP must be supplied with the proposal. Prospective vendors may take exception to certain requirements in this RFP. All exceptions shall be clearly identified in this section and the written explanation shall include the scope of the exceptions, the ramifications of the exceptions for the GVI, and the description of the advantages or disadvantages to the GVI as a result of such exceptions. The GVI, at its sole discretion, may reject any exceptions or specifications within the proposal. A sample professional services agreement has been attached and should be reviewed by the prospective vendors.

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal - Negotiation Professional Services

Attachment A: Special Conditions

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal – Negotiation Professional Services

Page 14, Letter to Honorable Kenneth E. Mapp

Attachment A

Responsibilities and Requirements for the Third Party Fiduciary Agent
(to be incorporated into any contract for services with the Agent)

The responsibilities and requirements for the Agent under these special conditions are as follows:

1. The Agent must work cooperatively and in a timely manner with the Virgin Islands, VIDE, VIDH, and VIDHS to implement the activities and responsibilities described in these special conditions. The Agent acknowledges that regular communication among the Virgin Islands, the Department, and the Agent is necessary to ensure proper financial management of grant funds, consistent with approved grant applications, budgets, and applicable program statutes, and the Uniform Guidance in 2 CFR Part 200. Therefore, the Agent understands and agrees that, as the Department deems necessary and appropriate, the Department shall include the Agent in communications, both written and oral, between the Virgin Islands and the Department.
2. The Agent's role encompasses financial management responsibilities concerning the grants, including, but not limited to, processing payments and disbursements, maintaining financial records, financial reporting, instituting and applying procurement, inventory, and payroll procedures that comply with applicable Federal requirements, and other duties as more fully described below. In addition, with respect to the Consolidated Grant, the Agent agrees to provide assistance to VIDE as it prepares the budgets that accompany the annual Consolidated Grant application.
3. For purposes of the IDEA Part C FFY 2007 through 2015 grants, the Agent is responsible only for the property procurement and management functions that are required to be performed under the Uniform Guidance at 2 CFR Part 200 (including 2 CFR §§ 200.311, 200.313, 200.314, and 200.318-200.326) by VIDPP, and any financial management functions needed to be performed by VIDF for the IDEA Part C grants, and which are not being performed already under the contract between VIDH and LSS. Because VIDH's IDEA Part C grants for FFYs 2007 through 2015 include special conditions requiring the use of a third party fiduciary agent (LSS) that carries out VIDH's financial management and recordkeeping responsibilities in accordance with the applicable provisions of IDEA Part C and EDGAR, the Agent (BCA) performing services under these Department-wide special conditions is not required to assume responsibilities other than the responsibilities described above in this subsection. The Department's grant awards to VIDH under IDEA Part C for FFYs 2007 through 2015 include special conditions requiring VIDH to use LSS to ensure the continued fiscal accountability of IDEA Part C funds and the timely payment of early intervention service providers for the timely provision of IDEA Part C services to infants and toddlers with disabilities and their families. In addition, VIDH's IDEA Part C grant funds may not be used to pay any costs charged by the Agent (BCA) to the Virgin Islands or VIDH under the contract between the Virgin Islands and the Agent (BCA).

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal – Negotiation Professional Services

Page 15, Letter to Honorable Kenneth E. Mapp

4. The Virgin Islands, VIDE, or VIDHS, prior to any drawdowns or disbursements, must provide the Agent with a line item budget for the total amount of each grant and subgrant, if applicable, that has been approved and verified by the Department. The line item budget must include amounts for State administration, State-level program activities, and LEA program activities. For purposes of the Consolidated Grant, the Virgin Islands and VIDE must provide the Agent with line item budgets for each of the programs under which the Virgin Islands and VIDE will use Consolidated Grant funds. The line item budget for each of these programs must be based on the total amount of Consolidated Grant funds to be used for each program and include amounts for State administration, State-level program activities, and LEA program activities. The Agent must use these line item budgets to track projected and actual expenditures for the programs under the grants. The Agent must ensure that the expenditures proposed are only for allowable costs under each grant. The Agent will also receive from the Department copies of the applications, budgets, and budget narratives that the Department has approved for the Virgin Islands' grant awards to ensure that the Agent has these documents for purposes of executing its financial management responsibilities on behalf of the Virgin Islands under these grants.
5. The Agent must establish, maintain, and manage a separate bank account for all of the funds under the grants from the Department. The Agent must provide the Virgin Islands, VIDE, and VIDHS, as appropriate, with written notice (e.g., copy of invoice) of when funds are needed for a disbursement under a particular grant.
6. The Agent must acknowledge that the Virgin Islands, VIDE, and VIDHS have drawdown authority and that they understand and agree that they must draw down funds and provide any applicable matching funds to the Agent within 24 hours of receipt of the written notice from the Agent. Failure by the Virgin Islands, VIDE, or VIDHS to comply with this condition concerning the time within which they must draw down funds may result in the Department requiring the transfer of drawdown authority to the Agent for that entity. In the event of the Virgin Islands', VIDE's, or VIDHS' failure to draw down funds in accordance with this condition, the Agent must notify the Department, and the Department will determine whether drawdown authority must be transferred to the Agent. If so, then immediately upon written notice of this decision from the Department, the Virgin Islands, VIDE or VIDHS, as appropriate, must take all steps necessary to provide the Agent with full authority to perform drawdowns, including providing any information and authorization that the Department needs to recognize the Agent as the entity with drawdown authority.
7. The Agent must use fiscal control and accounting procedures that meet the requirements imposed on non-Federal entity grantees in accordance with 2 CFR §§ 200.302, 200.303, and 200.305(b).
8. The Agent must expend funds only for costs that are allowable under the respective grant programs, in accordance with 2 CFR Part 200, Subpart E. Additionally, for purposes of the Consolidated Grant, the Agent must expend funds only for allowable costs under, and included in, each Department-approved Consolidated Grant plan from FFYs 2007 through 2015. If the Agent questions whether an expenditure is allowable, the Agent must raise this question with the appropriate entity, the Virgin Islands, VIDE, or VIDHS.

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal – Negotiation Professional Services

Page 16, Letter to Honorable Kenneth E. Mapp

If the Agent deems it necessary, the Agent may also request assistance from the Department in determining the allowability of any expenditure.

9. The Agent must determine the value of any in-kind property or services donated to or provided by the Virgin Islands, VIDE, and VIDHS that are used to meet cost sharing or matching requirements as required by 2 CFR § 200.306 and must maintain records sufficient to document the bases for those valuations.
10. The Agent must take steps to prevent the lapsing of funds available under the grants, including ensuring timely disbursement of funds through the use of methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement of those funds as specified in the Virgin Islands' Treasury-State agreement, as required under the Cash Management Improvement Act and Treasury regulations at 31 CFR Part 205. For grant funds not included in the Virgin Islands' Treasury-State agreement, the Agent must meet the requirements in 2 CFR § 200.305(b). The Virgin Islands, VIDE, VIDHS, and the Agent must coordinate the timing of drawdowns and disbursements to ensure that payments to staff, vendors and providers are prompt and timely. To the greatest extent feasible, the Virgin Islands, VIDE, VIDHS, or the Agent, if it has undertaken drawdown responsibility, must draw down funds in a timely manner so that funds under the grants are deposited to the separate bank account maintained by the Agent on the same day that funds are drawn from the account to liquidate obligations under the grants. The Agent must ensure that any interest earned on advances of grant funds not subject to the Treasury-State agreement is repaid annually, as required by 2 CFR § 200.305(b)(9).
11. The Agent must charge Department grants only for costs resulting from obligations that were properly made during the period of availability for the funds, including any carryover period. To ensure against the lapsing of Department funds, the Agent must liquidate obligations no later than 90 days after the end of the funding period or during any extension of that period authorized by the Department, in accordance with 2 CFR § 200.343(b).
12. The Agent may seek approval from the Department to charge allowable pre-award costs incurred by the Virgin Islands, VIDE, or VIDHS against any grant award from FFY 2007 through 2015 to which these special conditions apply. The Agent must submit any request for pre-award costs to the Department in writing and may not reimburse any pre-award costs unless it receives written approval from the Department.
13. The Agent must establish and maintain a process for tracking and reporting time and effort spent by all employees whose salaries are paid under ED grants, including distribution of time among different funding sources for split-time employees, and for properly allocating salary costs among ED grants, based on records that accurately and properly record the distribution of each employee's work on multiple cost objectives, the time the employee attends work, and, for those employees who work on a single cost objective, semiannual certifications. The Agent must carry out these responsibilities consistent with Federal requirements in 2 CFR Part 200, Subpart E, and more specifically, 2 CFR §§ 200.430 and 200.431.

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal – Negotiation Professional Services

Page 17, Letter to Honorable Kenneth E. Mapp

14. In disbursing funds for allowable costs under the grants, the Agent must distinguish between direct and indirect costs and use accurate methods to allocate funds correctly between these two cost categories. The Agent must ensure that the charging of direct and indirect costs against the respective Department grants is consistent with the applicable restricted and unrestricted indirect cost rates negotiated with, and approved by, the U.S. Department of Interior (the Virgin Islands' cognizant Federal agency), and that copies of any indirect cost rate proposals or agreements comply with the applicable requirements of 2 CFR Part 200, Subpart E, and 34 CFR §§ 75.560-564 (discretionary grants) and 34 CFR §§ 76.560-569 (formula grants).
15. The Agent must establish contacts and working relationships with prospective vendors that can provide goods and services that the Virgin Islands, VIDE, and VIDHS need under the grants. The Virgin Islands, VIDE, and VIDHS must give the Agent authority to enter into contracts with vendors on behalf of the Virgin Islands, VIDE, VIDHS, and, as appropriate, VIDH, and in doing so, must comply with the provisions for procurement set forth in 34 CFR §§ 200.318-200.326.
16. Within 24 hours of the Agent's receipt of a vendor invoice, the Agent must provide a copy of the invoice to the Virgin Islands, VIDE, VIDHS, or, as appropriate, VIDH, and ensure that the goods or services delivered are available for inspection and acceptance or rejection by the appropriate Virgin Islands, VIDE, VIDHS, or, as appropriate, VIDH, staff requesting the goods or services. The Agent must pay vendors for the delivered goods or services and must, to the extent reasonably possible, disburse funds to the vendors on the same day that funds are deposited into the separate bank account(s) maintained by the Agent. The Agent must make payments by electronic funds transfer (EFT) or by paper draft only if EFT is not available or possible for a particular vendor.
17. The Agent must manage all tangible personal property procured under the grants, with a purchase price of \$500 or greater, in accordance with the requirements of 2 CFR §§ 200.313(a) and (c)-(e). In particular, the Agent must establish and maintain a process for managing such property consistent with the requirements of 2 CFR § 200.313(d), including reconciling the inventory conducted by the Virgin Islands under Section II.A.18 of these special conditions with existing property records; developing a system for maintaining property records and for identifying property acquired with ED grant funds; and establishing a control system to prevent loss, damage, or theft of the property.
18. The Agent must maintain records that fully show the amount of funds made available under each of the grants; how the Virgin Islands, VIDE, or VIDHS uses the funds; the total cost of each project; the share of that cost provided from other sources; and other records to facilitate an effective audit, in accordance with 34 CFR § 75.730 (discretionary grants) and § 76.730 (formula grants). The Agent, acting on behalf of the Virgin Islands, VIDE and VIDHS, must retain records in accordance with the provisions of 2 CFR § 200.333.
19. In general, the Agent must use fiscal control and fund accounting procedures that ensure proper disbursement of, and accounting for, Federal funds, in accordance with 34 CFR § 75.702 (discretionary grants) and § 76.702 (formula grants), and 2 CFR §§ 200.302, 200.303, and 200.305(b).

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Request for Proposal – Negotiation Professional Services

Page 18, Letter to Honorable Kenneth E. Mapp

20. The Agent must maintain insurance as required under the terms of the contract.
21. All transactions under the contract between the Virgin Islands and the Agent must be consistent with all applicable Federal requirements, including the Uniform Guidance at 2 CFR Part 200 and EDGAR at 34 CFR Part 75 or 76, as appropriate.
22. The Agent must comply generally with the requirements of 2 CFR § 200.327. More specifically, the Agent must produce quarterly reports concerning financial transactions of the Virgin Islands, VIDE, and VIDHS for submission to those entities and the Department, detailing for each grant awarded to the Virgin Islands, VIDE, and VIDHS, including for each individual program for which the Virgin Islands and VIDE are using Consolidated Grant funds: a) the date of receipt, and the amount, of each approved payment request; b) the date and amount of each draw down deposit; c) the date and amount of each payment or disbursement by the Agent; and d) any interest or other funds remaining in the account at the end of the quarter. These amounts must also be grouped by and comparable with the projections in the line item budgets described above in Section II.A.7 and must be reconciled with the Department's G5 system. This reconciliation must include drawdown dates, drawdown amounts and available balances, by award. These reports shall be due within 10 working days after the end of each quarter.
23. The Agent must work with the Virgin Islands, VIDE, VIDHS, VIDF, and VIDPP to assist in the training of employees and to provide transition assistance (including, but not limited to, transferring all necessary data from the Agent to the new CFMS, communicating information from the Agent to the contractor implementing the new CFMS, and providing feedback to the Virgin Islands, VIDE, and the Department on the Virgin Islands' implementation of the new CFMS), as the Virgin Islands implements and transitions staff to the new CFMS.
24. The Agent recognizes that, notwithstanding the citation of specific EDGAR requirements in these special conditions, there are other provisions of EDGAR not specifically cited above that are also applicable to grants awarded by the Department to the Virgin Islands, VIDE, VIDH, and VIDHS. This includes, for example, the drug-free workplace requirements in Part 84 of EDGAR, which are applicable to the Agent, and the definition of terms in Part 77 of EDGAR.